

## Message Text

UNCLASSIFIED

PAGE 01 KUWAIT 03457 260735Z  
ACTION NEA-10

INFO OCT-01 EB-07 ISO-00 /018 W  
-----090446 260737Z /14

R 260614Z JUN 77  
FM AMEMBASSY KUWAIT  
TO AMEMBASSY TEHRAN  
INFO SECSTATE WASHDC 8327  
USDOC WASHDC

UNCLAS KUWAIT 3457

E.O. 11652: N/A  
TAGS: CFED, KU  
SUBJECT: KUWAIT SOCIAL INSURANCE LAW

REF: TEHRAN 5524 (NOTAL)

1. KUWAIT SOCIAL SECURITY LAW NO. 61/1976, PASSED BY NATIONAL ASSEMBLY IN JULY, 1976 AND PROMULGATED BY THE AMIR IN SEPTEMBER, 1976, APPLIES ONLY RPT ONLY TO KUWAITI CITIZENS IN THE PUBLIC, PRIVATE, AND OIL SECTORS. LAW, SCHEDULED TO GO INTO OPERATION OCTOBER 1, 1977, ESTABLISHED A FUND FOR FINANCING OLD AGE, DISABILITY, DISEASE, AND DEATH BENEFITS, CONTRIBUTIONS TO FUND ARE TO BE MADE ON THE FOLLOWING BASIS: 5 PERCENT OF MONTHLY SALARY FROM EMPLOYEES, 10 PERCENT FROM EMPLOYERS, AND ANNUAL GOK CONTRIBUTION FROM REGULAR STATE BUDGET. RETIREMENT BENEFIT WILL CONSIST OF 65 PERCENT OF ENDING SALARY FOR 15 YEARS EMPLOYMENT, WITH 2 PERCENT PER YEAR FOR EACH ADDITIONAL YEAR UP TO 95 PERCENT OF BASIC SALARY.

2. THERE EXISTS SOME FEELING TO EXPAND COVERAGE OF NEW LAW TO NON-KUWAITIS, INCLUDING CONCEIVABLY THOUGH NOT NECESSARILY US CITIZENS. FOR THE PRESENT HOWEVER, EFFECT OF LAW ON AMERICANS IS LIMITED TO U.S. FIRMS PAYING SOCIAL SECURITY CONTRIBUTION FOR THEIR KUWAITI EMPLOYEES.  
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LATTER BURDEN IS LIKELY TO BE SMALL, AS WORK FORCE IN KUWAIT CONSISTS PRIMARILY OF EXPATRIATES. IN ADDITION, PRESS HAS REPORTED DIFFICULTIES IN ESTABLISHING ADMINISTRATIVE ORGAN FOR NEW LAW, WHICH IS LIKELY TO DELAY EVEN FURTHER EXPAN-  
SION OF COVERAGE.

3. EMBASSY WILL POUCH ALL ADDRESSEES COPY OF SUMMARY OF

NEW LAW.  
MAESTRONE

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
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**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009